

[Labour's Fundamental Failure](#)
[Libya and the Capitalist State](#)
[Marxist Theory and Crises - Part 1](#)
[The Materialist Conception of History](#)
[War, Resources and Trade Routes](#)
[From Capitalism to Socialism - part 2](#)
[Race To The Moon](#)
[Poverty, War and Unemployment](#)
[Marxism and Democracy](#)
[Queen & The Economists: Eating Humble Pie](#)
[Work In Socialism](#)

Socialist Studies No 74, Winter 2009

Labour's Fundamental Failure

In his September 2009 speech to the Labour conference, Gordon Brown declared:

... what let the world down last autumn was not just bankrupt institutions but a bankrupt ideology. What failed was the Conservative idea that markets always self-correct but never self-destruct. What failed was the right wing fundamentalism that says you just leave everything to the market and says that free markets should not just be free but values free (29 September 2009).

This led Robert Preston, the BBC's Business Editor to complain:

It's all very well to say, as he [Gordon Brown] did, that "what failed was the right wing fundamentalism that says you just leave everything to the market and says that free markets should not just be free but values-free". But for years his government was seduced by this so-called fundamentalism.
BBC NEWS 30 September 2009

"*Right wing fundamentalism*" as Brown calls it was not new. It was a previously failed set of 19th century economic ideas and beliefs resurrected by the Conservatives in the 1970s under Margaret Thatcher and then in 1997 embraced by Blair's Government - including Gordon Brown himself.

Privatisation policies were continued by the Labour Government under the guise of the private finance initiative; conservative anti-trade union legislation was kept on the statute books; the "*flexible labour market*" was trumpeted by Labour Ministers as giving employers in Britain an edge over their foreign competitors; and the Labour Party's Clause 4 was changed, from the state capitalist objectives they had adopted in 1918 to the support for "*the enterprise of the market and the rigour of competition*"..

Here is Gordon Brown addressing the Labour Conference in 1997: "*We are and will always be a pro-enterprise, pro-business and pro-competition government*" (BBC NEWS 23rd September 2008).

The Labour Government accepted the free trade globalisation of capital pursued by the City of London financial institutions and enshrined in the market fundamentalism of their economists.

And let us not forget Brown's final speech that he made as Chancellor of the Exchequer to the assembled financiers and company chief executives at the annual dinner of the City of London in the Guildhall. Brown praised London's finance markets as the centre of global capitalism. He pointed out that 40 percent of the world's sales of foreign equities and nearly a third of all currency transactions were now conducted within the famous Square Mile, more than in New York and Tokyo put together.

He spoke enthusiastically about the dramatic upsurge of private equity companies, the growth of hedge funds, and the endless wave of mergers and acquisitions that were transforming the face of international business.

As the journalist Robert Taylor noted (DISSENT, Fall 2007):

The man who was about to become prime minister only a few days later listed the conditions that had made all this possible - openness to world trade and global trends, a “deep and abiding belief in open markets,” the importance of flexibility and deregulation, diversity and adaptability.

Then it all turned to dust.

At Ease with the Filthy Rich

The Labour Party was comfortable with the rich, ate at their tables, invited them to their conference, took their money, and enjoyed holidays in their villas and on their yachts. And Labour Government ministers told working-class children to treat ‘*entrepreneurs*’ as if they were pop stars and professional footballers.

Corporate businessmen were allowed access to Blair’s Downing Street and Gordon Brown’s Treasury in a way that was entirely new. Nothing like it had occurred even under Margaret Thatcher. Bankers and financiers were feted and could do no wrong.

This “*market fundamentalism*” was embraced right at the top of the Labour Government. Tony Blair was influenced by the likes of F A Hayek, particularly his anti-trade unionism, and embraced the economic beliefs of Margaret Thatcher. –“*I believe Mrs Thatcher’s emphasis on enterprise was right*”, he told the SUNDAY TIMES (SUNDAY TIMES, 23 April 1995). Blair went on to state that “*New Labour is pro-business, pro-enterprise*” (FINANCIAL TIMES, 16 January 1997).

Gordon Brown read Adam Smith and described him as his “*hero of the Scottish Enlightenment*” for providing a conception of the “*just economy*” (www.Encyclopedia.org, October 2009). There was, of course, no “*just economy*” in THE WEALTH OF NATIONS. Employed workers, like those in Smith’s infamous pin factory, now celebrated on the back of £20 notes, were taken for granted. And Smith conveniently stopped short his crude theory of value at the threshold of applying it to the working class.

There is no such thing as a “*just economy*”. Capitalism is neither fair nor unfair it is highly competitive with its dog-eat-dog mentality. And it is exploitative. Not in the sense that capitalists pay low wages, employ workers for long hours, bully them, and make their work lives a misery. Capitalism is exploitative in the Marxian sense that the working class produces more social wealth than they receive in wages and salaries.

Both Blair and Brown were advocates of free trade and free markets. They wanted (and got) a return to the free trade radical Liberalism of the Labour Party before the Webb’s wrote Labour’s constitution after the First World War with its Clause 4 objective of state capitalism.

Blair told SUN readers that capitalists not workers were the “*wealth creators*” - a phrase straight out of the writings of the capitalism-supporting economist von Mises and the Austrian school of economics. And the Foreign Office wrote large cheques out to the - free market and anti-tax - Adam Smith Institute, to spread the gospel of the market in its missionary work abroad. It received Labour government funding of almost £8m in 2003. (GUARDIAN, 1 February 2004).

And the theological belief in the market – a fundamentalism which denied any possible alternative to buying and selling, money and commodity production for profit - allowed Gordon Brown, when Chancellor of the Exchequer, to boast that there was to be no more “*boom and bust*” under his watch. Instead, there was going to be crisis-free growth lasting for ever and ever. Brown had believed the economists and those advising him that the market fundamentalist policies had solved the trade cycle. These economists were wrong.

Here are a few of the culprits listed by the economist Paul Krugman in an article in THE NEW YORK TIMES (2 September 2009). In a 2008 paper entitled THE STATE OF MACRO (the study of events like economic depressions), Olivier Blanchard of MIT, now the chief economist at the International Monetary Fund, declared that “*state of macro (economics) is good.*” The battles of the past, he said, were over, and there had been a “*broad convergence of vision.*”(The equivalent of Brown’s remark of saying that there would be no more “*booms and slumps*”.)

And in the real world, economists believed they had capitalism under control. The “*central problem of depression-prevention has been solved,*” declared Robert Lucas of the University of Chicago in his 2003 presidential address to the American Economic Association.

In 2004, Ben Bernanke, a former Princeton Professor of Economics who is now the Chairman of the Federal Reserve Board, celebrated what he called the “*Great Moderation*” in economic performance over the previous two decades, which he attributed in part to improved economic policy making. And here is a comment from the economist Professor D. E. Ray:

Events of the last year (2008) have taught us that blindly believing that markets are unequivocally self-regulating and universally self-correcting does not reflect reality. We are finding that those beliefs, while true under certain theoretical conditions, come up short in the real world.

POLICY PENNINGS, University of Tennessee, 27 February 2009

It all ended in tears. Free market economists and the politicians they influenced refused to see reality until they collided with it. For the capitalists and their politicians there is an uncomfortable reality: there is no benign invisible hand leading to market harmony. As the economist, Joseph Stiglitz noted:

This crisis is a turning point, not only in the economy, but in our thinking about economics. Adam Smith, the father of modern economists, argued that the pursuit of self-interest (profit-making by competitive firms) would lead, as if by an invisible hand, to general well-being. But for over a quarter of a century, we have known that Smith's conclusions do not hold when there is imperfect information - and all markets, especially financial markets, are characterised by information imperfections. The reason the invisible hand often seems invisible is that it is not there.

NEW STATESMAN, 20 October 2008

The economic vacuum that the Labour Government now faces was commented upon by the FINANCIAL TIMES (3 August 2009):

The Labour government is trapped between two ideological failures, having embraced economic liberalism that did not work; and state ownership, a policy it had rejected years ago

Which brings us to a humorous anecdote: how many free market economists does it take to change a light bulb. Answer: None. They all leave it to the invisible hand of the market. And as they sit and wait in the darkness they forget that the invisible hand is just that; invisible because, like God, it just does not exist.

So much for the Labour Party and its bitter experience of market fundamentalism. Labour cannot offer an alternative to capitalism. As such it is faced with capitalism’s problems, and politically is periodically destroyed as a Government by the insurmountable problems the profit system creates.

Our Party does not claim that it can run capitalism for the benefit of everybody. It certainly cannot be run for the benefit of the working class who are forced into employment because they need food, shelter and security. Capitalism’s endemic problems are caused by the system of production for profit.

Our Party’s aim is to abolish capitalism and in its place put a way of life where production is solely for use; where the means of production and distribution will be commonly owned and democratically controlled by all of society. A Socialist system will be one where each will give according to ability and where each will take according to need.

Socialism will not depend on political leaders. Socialism can only be brought about when a majority of the working-class - men and women, black and white alike - realize that capitalism has had its day. The working class must see in the failure of Labour governments the failure of capitalism to meet the needs of all society.

Workers should show their contempt for everything the Labour Party stands for, and instead take conscious political action to usher in a new social system, where co-operation will replace competition and where common interest replaces class struggle. The fundamental failure of the Labour Party, as with all capitalist political parties, is not the ideas and beliefs they hold or the policies they pursue, but their ignorance of capitalism and the effects of the profit system on governments. Our late Comrade Hardy was asked the question “*Who understands capitalism the better; the Conservatives or the Labour Party?*” His reply was that the Conservative Party does not understand capitalism - and the Labour Party even less.

THE FAILURE OF CAPITALISM

The UN Secretary-General Ban Ki Moon recently told a conference in Rome that somewhere in the world; a child dies of hunger every five seconds -- even though the planet has more than enough food for all. He went on to say: “*Today, more than 1 billion people are hungry Six million children die of hunger every year -- 17,000 every day*” (CNN, 23 November 2009).

Another report carried by CNN was the fact that poor nutrition is one of the "main killers of young children (U.N. Children's Fund). The author of the report, Werner Schulink, said: “*The report we have launched draws attention to the fact that 200 million children under the age of 5 in the developing world suffer from chronic undernutrition*”.

Capitalism has the potential to feed the world's population. But the profit system and private ownership of the means of production prevent human need being met. Surely this highlights the urgent need for the working class to consciously and politically establish Socialism? RECOMMENDED:

‘THE COMMUNIST MANIFESTO – AND THE LAST HUNDRED YEARS’

This Socialist Party of Great Britain pamphlet was first published in 1948 to mark the COMMUNIST MANIFESTO centenary. This pamphlet, in addition to reprinting the COMMUNIST MANIFESTO, plus the 1888 Preface, contains important historical analysis, from the SPGB viewpoint, of many issues facing the working class in the period 1848-1948: e.g. the rise of reformism; the 1st and 2nd World Wars, which only the SPGB opposed consistently as a matter of class principle; the Thirties Depression; and the lies about ‘Socialist’ Russia. We recently reproduced it as a facsimile edition which was quickly sold out, and we now have a 2nd reprint available – *price £2*.

[Back to top](#)

Libya and the Capitalist State

Socialists have consistently argued that the state exists to protect the interests of the capitalist class – not of the ‘nation’ or the ‘community as a whole’. And sometimes we are told that this is mere Marxist ‘dogma’, lacking evidence to support it.

Of course, governments do provide plenty of evidence to support our view: e.g., when they use the police and even the armed forces to crush strikes. Also, with the vast amount they spend on military matters: the vast defence budget is not funded out of taxation in order to protect workers’ second-hand cars or mortgaged homes.

Once in a while, government politicians even admit that their policy decisions have been determined by business influence and business interests, which they describe as the ‘national interest’. Recently, Jack Straw admitted that the release from a Scottish jail of the dying ‘Lockerbie bomber’, al-Megrahi, and his return to his family in Libya – a policy decision which meant a U-turn on Straw’s part, one which caused enormous anger in the United States: that this decision was influenced by trade concerns.

In his interview today, Mr Straw admits that when he was considering in 2007 whether the bomber should be included in a prisoner transfer agreement (PTA) with Libya, Britain's trade interests were a crucial factor. Documents published this week showed Mr Straw originally promised that a PTA would only be reached with Libya if Megrahi was excluded. But he later caved in to Libyan demands to include Megrahi. It followed a warning from BP that a failure to include the bomber could hurt the oil giant's business interests. When asked in the interview if trade and BP were factors, Mr Straw admits: "Yes, [it was] a very big part of that. I'm unapologetic about that... Libya was a rogue state. We wanted to bring it back into the fold. And yes, that included trade because trade is an essential part of it and subsequently there was the BP deal."
The DAILY TELEGRAPH, 5 September 2009

The DAILY TELEGRAPH – which as a Tory paper is no friend to Socialism or Marxism - gave this story unusual prominence, with its front page headlines:

Lockerbie: Straw admits oil link
BP deal with Gaddafi did play a major part in decision to free bomber, says minister

It emerged from his interview that, back in 2007, when that PTA deal with Libya was being negotiated, Straw had insisted that Megrahi – the only Libyan then in a British jail – must be excluded from the deal. But later that year he wrote to the Scottish minister, Mr MacAskill, reversing his position, and citing “*overwhelming interests for the UK*”.

The unanswered question is whether those interests included trade and, in particular, the stalled BP deal that was signed off soon afterwards. For the first time, he [Straw] admits the link.
DAILY TELEGRAPH, 5 September 2009

Apparently, unmentioned either by the DAILY TELEGRAPH or by Jack Straw, there was another important UK interest:

The next day's OBSERVER (6 September 2009) carried this story:

Libyan arms trade evidence grows as dealers visit UK
An entourage of senior Libyan officials is to attend the Defence Equipment & Systems International conference, the world's largest arms fair, which starts on Tuesday... protesters believe [this] will be the largest contingent of Libyan arms dealers ever to visit Britain... Arms trading between the UK and Libya has increased rapidly. The UK approved licences for £12m of arms equipment and components to go to Libya in 2008, but licences for more than £9m of goods were approved in the first three months of this year.

Since the arms industry is about the only sector of the British economy which is still flourishing even in the recession, it is natural that Peter - Lord – Mandelson, the 'Business Secretary', should have used his summer holiday stay with one of his wealthy 'super-rich' friends to discuss such matters with Gaddafi's eldest son, also part of this jolly holiday party.

But we must be careful in commenting on such secretive talks. In 2008, after his holiday meetings with the Russian billionaire, Oleg Deripaska, journalists made a number of nasty inferences about Mandelson's dealings with Mr [aluminium] Deripaska, while he was EC trade commissioner. But Peter – probably backed by a team of libel lawyers - was anxious to reassure all of us that he could never be guilty of any impropriety.

... naturally I met a great number of business people round the world as EC trade commissioner. I think this adds to what I bring to my job now. I should point out that in managing my department's business as Secretary of State I will, of course, in line with the ministerial code, ensure that no conflict of interest, or perception of such, arises from any of my past or indeed future contacts... As Business Secretary, I will continue to act with the public interest in mind, as the public has every right to expect.
Letter to THE TIMES, reprinted in THE WEEK, 1 November 2008

The release from jail of Megrahi, a man with advanced cancer, on compassionate grounds, was only allowed on

condition that he abandoned his appeal. But this meant that the very many unanswered questions about the Pan Am Flight 103 bombing - which caused so many hundreds of deaths, and so much distress, among the families of US and UK victims and also among the people of Lockerbie, not to mention flight crews who regularly fly from Heathrow – means that those questions cannot be brought out into the open.

So what was it that made Jack Straw do a U-turn on this matter? Gaddafi or his son spoke to BP, BP spoke to the government, the oil deal talks were duly able to get going again, and Straw persuaded the Scottish government that this prisoner must be released. At the same time, the UK government made arrangements to do more arms deals with Libya, by issuing invitations to Libya to send dealers to attend the Defence Equipment & Systems International arms fair, sponsored by the Ministry of Defence.

Clearly Mandelson and Straw have a concept of the “public interest” as including oil and arms trade interests. But they are not concerned with finding out how that particular terrorist horror came about, or even who actually did it. So they disregard and frustrate the wishes of the UK group, UK Families Flight 103, whose consistent demand for more than 20 years has been that “*The Truth Must Be Known*”. Against the ‘public interest’ in protecting travellers and finding out the answers needed by the bereaved, Mr Straw and Lord Mandelson - like other capitalist politicians – found the oil and arms industry had more persuasive interests at stake. Business as usual – for profit.

So, next time capitalism’s politicians ask workers to vote for them, we remind members of the working class that capitalism’s governments do not work in the interest of the working class but in the interest of the capitalists. Weighing up questions of life and death, Straw and Mandelson were led to the conclusion that Libya meant good business: that BP’s oil deal and UK arms exports had to be promoted. Capitalism is a cynical system, and its politicians equally so.

COMMON OWNERSHIP AND CO-OPERATION

For umpteen generations, communities in South America and South East Asia have successfully managed their rainforests. In England, common grazing rights on upland and hill grazings in Cumbria apply to most of the common land: “*the upland commons have been strictly regulated and farmed for over 450 years*”, relying on “*the customs of the community*”. In England and Wales, 30% of ‘rough grazing’ is still on unenclosed commons (FEDERATION OF CUMBRIAN COMMONERS). Now, Elinor Ostrom in the US has won a ‘Nobel prize’ for economics for showing how, with ‘common resource pools’ (e.g. pastures, fisheries and forests) ‘self-governance’ works, and is better than external regulation.

Economists held that, without regulation, resources would be over-exploited. Under capitalism, you do get over-fishing and over-grazing. But with self-governance, Ostrom found that “*people sharing a pool of resources tend to interact repeatedly*” which makes cooperation possible and successful (ECONOMIST, 17 October 2009).

So, good-bye then to the myth of the ‘tragedy of the commons’!

[Back to top](#)

Marxist Theory and Crises - Part 1

In VALUE, PRICE AND PROFIT, a talk Marx gave to the First International, he gave a clear account of capitalism’s industrial cycles and the effects these have on the workers:

Capitalistic production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis, and stagnation... During the phases of crisis and stagnation, the working man, if not thrown out of employment altogether, is sure to have his wages lowered.

This passage makes it clear that Marx saw capitalism’s crises as recurrent:: the industrial cycle repeating itself, over and over again. In SOCIALISM, UTOPIAN AND SCIENTIFIC, Engels gave a similar picture:

The industrial trot breaks into a canter, the canter in turn grows into the headlong gallop of a perfect steeplechase of

industry, commercial credit and speculation, which finally, after breakneck leaps, ends where it began – in the ditch of a crisis. And so over and over again.

Marx was not one of those who mistakenly claim that a crisis would mean the ‘collapse’ of capitalism. But in the 20th century, from the late 1920s as the Depression began, there were many on the Left who declared that capitalism was about to collapse: e.g. Hyndman and the Social Democratic Party, the Communist Party, the Independent Labour Party (ILP), and Jimmy Maxton and others in the Labour Party. In our 1932 pamphlet WHY CAPITALISM WILL NOT COLLAPSE (pp 9, 15), the SPGB argued:

... no crisis of Capitalism, however desperate it may be, can ever by itself give us Socialism... there is no simple way out of Capitalism by leaving the system to collapse of its own accord. Until a sufficient number of workers are prepared to organise politically for the conscious purpose of ending Capitalism, that system will stagger on indefinitely from one crisis to another.

Around 100 years ago, Robert Tressell in his novel THE RAGGED TROUSERED PHILANTHROPISTS gave a vivid, unforgettable account of workers’ chronic insecurity and fear of unemployment.. A century later, we are again in a major crisis or recession/depression.

Gordon Brown, our esteemed Prime Minister, has been assuring us for years that he had put an end to “*boom and bust – forever*”. Now he and others keep repeating that this crisis is “*unprecedented*”.

But was it so very unpredictable or “*unprecedented*”? Henry Pelling’s book A HISTORY OF BRITISH TRADE UNIONISM described the Depression of the early 1930s as “*an **unprecedented** economic blizzard*” (Pelican, 1963, p 183). But not even that crisis was “*unprecedented*”.

Near the end of the 19th century, there had been the Great Depression, which had shut down almost every sector of the economy. That came at a time when British governments had been following free trade policy for a long time. Earlier, there was a similar crisis-starting in 1825, at a time when the government was following protectionist policies. Whichever trade policy is followed by governments, they cannot put a stop to the industrial cycle.

Warning signs

There are many who see this crisis as starting in much the same way as that of the 1930s, which also followed on from a credit-fuelled boom. But today’s crisis was not “*unprecedented*” or “*unforeseeable*”. There were very clear warning signs: e.g. SALE signs in shop-windows, year after year. In the winter of 2008-9, the ‘January sales’ started even before Xmas: each sale meant painful price reductions for retailers, dashing any hopes they had of making profits.

Banks offering credit cards at zero interest should have rung alarm bells. Mortgages of 100% or more were offered, on the risky assumption that housing prices would continue to rise, and borrowers would never lose their jobs. All lenders assumed that, as Gordon Brown repeatedly declared, there would be no more “*boom and bust - forever*”.

In 1998, THE ECONOMIST had an article headed **America goes bust**. It told of how many Americans had filed for bankruptcy – a huge increase compared with 1996, and double the figure for 1990. But, hey, not to worry: “*this rapid increase coincided with America’s healthiest economy in decades.*” The article argued that, as credit card and other forms of debt had grown, workers on low incomes, normally unable to get unsecured credit, were able to buy things they could not normally afford. That, said the article, was due to a financial miracle, i.e.:

... financing techniques.[which] allow lenders to spread their risks by selling securitised bundles of loans in the financial markets.

Buying a pig in a poke

What this meant was that trading in loans was done by bundling together bad debts together with safe loans, with the buyers being unaware of just how dodgy these packages actually were. THE ECONOMIST offered no warnings that bad debts are risky - no worries about the banks' practice of lending to people who were juggling their household bills, carrying around a dozen or more credit cards. To THE ECONOMIST, all this was seen as praiseworthy and very profitable "*innovation*".

But it resulted in the 'sub-prime' mortgage crash, with major banks having to be bailed out by panicking governments; and the 'credit crunch' which paralysed all kinds of businesses, as banks were terrified of lending, especially to other banks, not knowing what horrors were hidden in their own books, and fearing the worst.

A quick look at capitalism's history shows the scars of periodic crises and depressions. The 19th century was punctuated by intermittent crises, culminating in the Great Depression near the end of the century. In the 20th century, the Thirties Depression was so appalling that post-war all the major British political parties pledged themselves to maintain 'full employment'. The SPGB argued at the time that this was just not possible.

Post-war Keynesian 'pump-priming' policies to 'boost demand' led to high rates of inflation, until in the 1970s Callaghan's Labour government decided to abandon Keynes and any attempt to control unemployment. In the 1980s, there was massive structural unemployment, as older British industries were no longer competitive.

In the 1990s, there was the 'dot-com' bubble; and, since 2000, there has been - in Britain, America and other countries - a whole series of huge banking and financial trading scandals, such as Nick Leeson and Barings; the Long Term Credit Management (LTCM) hedge fund, Enron, WorldCom, Parmalat, Bernie Madoff, etc.

'Full employment' was only possible in periods with a high level of demand for labour. Even in the boom years leading up to this crisis, there have always been significant numbers of workers employed as casuals, on 3-month contracts, as 'self-employed', or living off state benefits. Now, after years of Brown saying "*no more boom and bust - forever.*", the economy is definitely again in a bust phase.

But there are some who keep sounding hopeful: e.g. Richard Lambert, Director-General of the CBI, who announced that "*the harshest part of the recession looks to be behind us*" - he expected to see a gradual recovery from early next year (BBC CEEFAX, 15 June 2009). The National Institute for Economic and Social Research was pleased to announce in June 2009 that the UK's GDP had been rising since March: the worst was over, which meant we could see growth in the 3rd quarter. These reassuring views were passed on, and the FINANCIAL TIMES mused poetically: "*Rather than the odd green shoot, the economic landscape now resembles a fragile carpet of green.*" The economist Paul Krugman, a 'Nobel prize-winner' no less, also thought "*the risk of an all-out Great Depression has receded*".

But there were hard facts to face. By October 2009, the official statistics showed that the UK's GDP had been "*in negative growth*" - i.e. shrinking, for six consecutive quarters. In the US, the credit-rating agencies still reported rising numbers of companies defaulting on loans, more by June 2009 than in the whole of 2008, and it was expected that the default rate would double, from 7% in May 2009 to over 14% in 2010.

The Blame Game

When Keynesian policies were in vogue, unemployment was blamed by Tory and Labour. governments alike on the 'greedy' trade unions and workers' demands for higher wages. Trade unions naturally fought for higher wages as inflation pushed prices up, eroding the purchasing power of wages.

Not so now. Now it's supposed to be the 'greedy' bankers and financial speculators. Even THE ECONOMIST argued for better regulation of the City. "*If something needs rescuing, it's a sign that it needs regulating.*" This meant an amazing U-turn from their normal dogmatic insistence on keeping government out of things and letting the 'free market' regulate itself.

Also targeted in the blame game were the credit-rating agencies which had guaranteed, as triple-A rated, those dodgy

‘sub-prime’ mortgages and ‘liar loans’. Near the end of 2007, when Moody’s downgraded hundreds of bonds, almost a year after signs that many borrowers were unable to keep up payments on loans and mortgages, this led to panic as “*virtually overnight all the world’s banks stopped lending to one another*” (FT WEEKEND, October 2008).

Who else was to blame? Politicians, like Gordon Brown: “*what we did not see, nobody saw, was the possibility of markets’ failure*” (GUARDIAN, 24 January 2009).

But at least one economist had predicted a collapse of the US housing market and a worldwide recession: Dr Nouriel Roubini, back in 2006 in a speech to the IMF (Guardian, 24 January 2009). But he was disregarded as a nutter.

Another aspect of the crisis is the huge amount of trade deficit and government debt. In 2005, according to Ben Bernanke, when the US owed about \$900 billion, there was a global “*saving glut*” washing onto America’s shores: “*It was not that America had lapped up foreign capital – rather capital had been thrust upon it*” (ECONOMIST, January 2009). By August 2009, the US government deficit had risen to \$1.6 trillion (£978 billion). After decades of deficit budgets, going back to the Reagan years and increasing ever since, the accumulated US National Debt has since risen to over \$10 trillion (ECONOMIST, June 2009). That means \$10 with 12 noughts coming after, i.e. a million million dollars.

On this side of the Atlantic, with “*Prudence for a purpose*” Gordon Brown CEEFAX in charge, the UK National Debt has also grown. In July 2009, the total National Debt was £801 billion, or over 50% of GDP (OFFICE FOR NATIONAL STATISTICS – BBC 2 Ceefax, 20 August 2009). Since then, as GDP has shrunk, the National Debt has continued to rise and, by the time this is printed and read, these figures will be out of date.

Do low wages cause crises?

On the Left, it is commonly argued that crises are caused by the lack of purchasing power of the working class, especially by low wages: For instance, in a pamphlet CAPITALISM IN CRISIS (2008, pp 10-11), the Socialist Party, a Trotskyite group, argued:

Crucially, Marx explained that the working class can never buy back the full product of their labour, because workers’ wages represent only a portion of what they produce... workers do not receive enough wages to buy back these ‘consumer goods’. This leads to economic crisis. ... Capitalism in the last period has made unprecedented profits by driving down the ‘necessary’ product – wages – thereby increasing the ‘surplus’ product – profit... Now the recession is biting... [Factories are closing or on short time] because the goods they produce cannot be sold in sufficient quantities – at least not sold at a profit. A ‘classical’ case of overproduction, as described by Marx, is now developing.”

That argument is wrong, and inaccurate in its claim to represent Marx’s views on what causes capitalism’s crises.

- “*...workers do not receive enough wages to buy back these ‘consumer goods’. This leads to economic crisis.*”

If so, why is it that capitalism is not permanently in crisis? After all, Marx’s explanation of how the wages system exploits the working class is true in boom times as well as in slumps. Workers never do receive in wages enough to buy all they produce. In fact, Marx answered this argument (CAPITAL VOL. II, chap. 20):

... if one were to attempt to clothe this tautology with a semblance of a profounder justification by saying that the working class receive too small a portion of their own product, and the evil would be remedied by giving them a larger share of it, or raising their wages, we should reply that crises are precisely always preceded by a period in which wages rise generally and the working class actually get a larger share of the annual product intended for consumption.

- “*A ‘classical’ case of overproduction, as described by Marx, is now developing.*”

Again, the ‘Socialist’ Party have got Marx wrong. Marx and Engels argued that capitalism’s ‘overproduction’ is not the same as *actual* overproduction. If you notice a lot of new-built flats up for sale, you would not conclude that there are too many flats. On the contrary, we are all fully aware of the huge number of working-class individuals and families in need of housing but unable to afford to buy or rent these flats.

But in this anarchic competitive system, producers pile into the market, swamping it with their commodities, competing to gain as much market share, and as much profit, as possible.

As they are all producing flat out, their competitors likewise, sooner or later that market becomes glutted. As Engels wrote, it “*ends where it began – in the ditch of a crisis.*” Such a crisis comes about since “*the extension of the markets cannot keep pace with the extension of production.*” So much for this pseudo-‘Socialist’ Party and their claims that “*Marx was right*” about crises. We advise them to actually read what Marx and Engels had to say on this subject.

Brown’s belief in “*post neo-classical endogenous growth theory*”

Gordon Brown insists that the government wants to spend more, even though this is largely borrowed money. Having read something of neo-liberal economic theory, e.g. Adam Smith, Milton Friedman and von Hayek, and the anonymous ‘experts’ who write for THE ECONOMIST, Brown argued that there was a “*symbiotic relationship between growth and investment*”. Possibly if he actually understood the words in this sound-bite, he would realise that this is either absolute drivel or just a tautology.

But what about the possibility that there can be such things as bad investments, which mean losses? Schumpeter, in CAPITALISM, SOCIALISM AND DEMOCRACY (1947), described how, in the period before the Great Depression:

... in the midst of the prosperous 1920s, just about half of the business corporations in the United States were run at a loss, at zero profits, or at profits which, if they had been foreseen, would have been inadequate to call forth the effort and expenditure involved.

See MONOPOLY AND COMPETITION, ed. Alex Hunter, Pelican 1969, p48

Historically, booms have led to bust, e.g. the South Sea Bubble, railway speculation in the 19th century, the dot com boom, etc. So there is no symbiotic, unbreakable, relationship between the two: investment does not always and at all times mean growth. So much for Mr Brown’s beautiful dream of a “*symbiotic relationship between growth and investment*”.

What of Brown’s other phrase about “*post neo-classical endogenous growth theory*”? While this clunking jargon is hard to interpret, “*endogenous*” simply means “increasing by *internal* growth”. In short, it is the same old fallacy that was argued by most pre-Keynesian ‘liberal’ economists: e.g. in Say’s Law, the assertion that sellers *will* find buyers (every seller brings a buyer to the market), that markets are self-regulating and will never fail and so there must be never-ending growth.

But if that were the case, there would be no limit to the amount of commodities that could be produced and sold at a profit. Markets could never get glutted, workers would never fear unemployment, banks and businesses would never go broke. For instance, there would be no economic reason why an airline would cut back on the number of flights it does daily, or the number of passengers and the amount of freight it would carry. Car manufacturers would never have to stockpile thousands of unsold cars and vans in fields.

And it would follow, logically, that the capitalist system is actually a beautiful and infallible perpetual motion machine - a reliable mechanism for making capitalists richer and richer, so that all talk of a crisis is just so much pessimistic hogwash. However experience tells us that this picture is simply an illusion which just does not match reality. Just take a look at the history of capitalism: it is punctuated by crises and periods of depression.

True, some of the details of this crisis are specific, different from previous crises, with the use of computers, the Internet and communication satellites to speed up complex banking and Stock Exchange transactions around the world. But the capitalist system was already creating crises long before such modern improvements were available.
[To be continued]

Unemployment levels across the 16 countries that use the euro rose to 9.7% in September, the highest rate since January 1999. This brought the number of people unemployed across the eurozone region to 15.3 million. The rate across all 27 members of the European Union rose to 9.2%, with 286,000 more people now jobless. This brings the total to 22.12 million (EUROSTAT, October 2009)

Unemployment is a failure of capitalism. We have been told that the economists have the answers but free market economics, monetarism and Keynesianism have all failed to prevent unemployment. 22.12 million workers could be working producing socially useful products to meet human need. After all, millions are dying of starvation but they are not working because it is not profitable to employ them. Capitalists only employ and exploit the working class if there is a profit to be made. No profit means no production and no employment. Socialism would not have these severe problems. Rather than suppressing production and denying people meet their needs Socialism would release creative and social labour along with the means of production from the dead weight of capitalist class relations.

Common ownership and democratic control would not waste the skill and talent of workers through enforced unemployment. Free and voluntary labour would be used to meet human need. That is the basis of a rational and humane society denied to the majority of the planet by the private ownership of the means of production. If capitalism fails the working class then surely Socialism would succeed; a society run for and in the interests of everyone.

[Back to top](#)

The Materialist Conception of History

In 1859 two revolutionary books were published; Darwin's ON THE ORIGIN OF SPECIES and Karl Marx's A CONTRIBUTION TO A CRITIQUE OF POLITICAL ECONOMY. Darwin's book is well-known and still being read despite the creationists in the Islamic and Christian world. And although it was claimed, wrongly, that Marx's ideas were buried under the rubble of the Berlin Wall; his works have never been more popular.

Marx's book contained a preface in which he sketched out his theory of history, known more popularly as "*The Materialist Conception of History*". Below are some extracts from our pamphlet **The Materialist Conception of History**. This pamphlet is now available on-line at www.socialiststudies.org.uk and further extracts will appear in **Socialist Studies no. 75**.

The Materialist Conception of History

The first thing to ask is "*What is the Materialist Conception of History?*"

The Materialist Conception of History is an attempt to explain great social changes that have taken place in history, for example, why Feudalism gave place to Capitalism, and why such upheavals as the French Revolution took place. What was behind these events, and what is the part played in history by struggles between different classes, that is, one class trying to bring about a change and another class doing their utmost to resist the change?

The MCH is not the only attempt to explain history. Opposed to it is the view that what changes society are ideas, and that changes in society are the result of the application of the ideas that people put forward.

For example, at a certain stage in British history, people came to accept the idea that slavery should be abolished because, in their language, it was morally wrong. The MCH will ask the question:

"Why did something that was formerly regarded as being morally right, come to be regarded as morally wrong, after a certain passage of years?"

Engels made an interesting statement about the MCH when he spoke at Marx's funeral. He said:

History was for the first time placed on its real basis. The palpable, but previously overlooked fact that men must first of all eat, drink, have shelter and clothing, and therefore must work, before they can fight for domination, pursue politics, religion, philosophy, etc., this palpable fact at last comes through into its own right.

Marx summarised the MCH in his preface to the CRITIQUE OF POLITICAL ECONOMY. It is worthwhile going through that brief statement, and it is useful to break it up into its various sections and note how the argument moves forward stage by stage. He starts off by saying that in the social production of their life men enter into definite relations with each other, corresponding to stages of development of the material powers of production. The sum total of these relations of production constitute the economic structure of society. That this economic structure is the real foundation of society on which is built up the corresponding legal and political superstructure, and “*definite forms of social consciousness, the social, political and spiritual processes of life*”. Marx then goes on to say that it is not their consciousness that determines men's existence but their social existence that determines their consciousness.

Then at a certain stage of development of the material forces of production, these come into conflict with the existing relations of production, particularly property relations. Then there is the phase of social revolution. The economic foundations are then changed, and with them the entire superstructure is more or less rapidly transformed. No social order ever disappears before all the productive forces for which there is room, have been developed. New, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society.

This should be read in conjunction with another statement Marx made, and comes from Marx's own Preface to CAPITAL:

Even when a society has got upon the right track for the discovery of the natural laws of its movement, it can neither clear by bold leaps, nor remove by legal enactments, the obstacles offered by the successive phases of its normal development.

This point shall be returned to later. Finally, of course, Marx envisaged that the next phase of the evolution of society would be from capitalism to Socialism.

Origins of the MCH

Another point to look at is how Marx arrived at the MCH. In the speech that Engels made at Marx's funeral he described it as having been that “*Marx discovered the law of evolution in human history*”.

This could suggest that Marx achieved this by himself, but Engels went on to put the matter in some perspective when he said: “*Just as Darwin discovered the law of evolution in organic nature, so Marx discovered the law of evolution in human history*”. We should recognise that Marx, like Darwin, carried on from the work of people before him, and again, like Darwin, there were other people working more or less on the same lines.

It is not true that Marx and Engels formulated the MCH in a vacuum. They had to work in the real world, and in the world of ideas that was then being developed, not only by themselves, but also by other people. It would in fact be a denial of the MCH if one took the view that Marx formulated the MCH all on his own and out of nowhere.

Engels, for example, wrote of the German socialists:

“We were proud that we trace our descent not only from St Simon, Fourier, and Owen but also from Kant and Hegel”.

Only one of these started as a member of the working class, and that was Owen – a mill worker. But as well as this,

Marx and Engels at least partly developed and acquired their ideas from contacts with workers in the Chartist Movement, and in London, with exiled German workers in the London Communist Club. These were people such as Schapper, Bauer, Moll, Pfaender, J F Bray and others. Marx and Engels had these direct contacts with workers who were engaged in the political movement.

Whilst Marx and Engels began by being chiefly interested in philosophy and anti-religious ideas, it was with their contacts with people engaged in political movements, including a number of workers who were themselves working out ideas, that they developed the MCH and other Socialist ideas. It was on this real material basis that the MCH was formulated.

It is also important to acknowledge the debt that Marx and Engels owed to Lewis Henry Morgan and other anthropologists, particularly with regard to primitive communism. Marx and Engels had, in fact, worked out the main structure of the MCH before they came into contact with the writings of Morgan, or other people working in similar fields. In section I of the COMMUNIST MANIFESTO it says: “*The history of all hitherto existing societies is the history of class struggles*”. Now of course that will not fit a conception which includes primitive communism, so in Engels’ later Preface, he altered it to read: “*All written history has been a history of class struggles*”. This alteration allowed for the contribution made by Morgan and others. In other words, it should be remembered that Marx and Engels had formulated the main structure of the MCH before they had to take into account the idea of primitive communism.

Economic Relations

The summary of the Materialist Conception of History in the Preface to the CRITIQUE OF POLITICAL ECONOMY is a compressed statement which should be read together with further explanations in Marx and Engels’ writings. We would like to deal with what is meant by “*the relations of production*”.

The reference from the Preface to the CRITIQUE is as follows:

In the social production of their life, men enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage of development of their material productive forces.

Engels was asked a question in 1894 about the ‘relations of production’, and he answered it on 25th January, 1894 by listing what constituted ‘the relations of production’. First, the entire technique of production and transport. Second, the geographical basis in which they operate. Third, the survival of earlier stages of economic development. Fourth, the external environment which surrounds this form of society.

In other words, Engels was saying that economic relations must not be interpreted narrowly, that they go into a whole field, that they take in not merely the technique of production, but a number of other things as well. In the same letter, Engels emphasised the point that whilst it is the economic conditions which ultimately condition historical development, it should not be overlooked that all the derivative factors; political, juridical, philosophical, religious and artistic, not only interact with each other but also “*react upon the economic base*”.

Engels is saying that it should be recognised that there is an economic basis and that it produces a superstructure corresponding to it, but these various aspects of the superstructure interact with each other, and all of them react on the economic basis itself, so things are not simply in a watertight compartment like economic basis and the rest, nor should it be thought that the rest is simply the result of the economic basis.

Engels gave some examples. “*The State, for instance, exercised an influence by protective tariffs, free trade, and a good or bad fiscal system*”. Engels also cited as a factor, and it is important to see how far Engels is carrying this: “*The sentimentality and cringing servility to princes and nobles that existed in Germany, that arose out of the miserable and chaotic conditions in Germany before 1830*”. Engels is saying this; that “*cringing servility*” had an effect on the economic basis because it hindered the further development of it.

Marx never made the assumption that capitalists and their governments always understand what policies are really in

their best interests. The situation facing the capitalists is obviously confused. If we take, for example, the time when the struggle was beginning in this country, to take over power from the landed class, the argument does not go all one way. Some sections of the capitalist class were saying “*Don’t let’s fight them – let’s come to terms with them*”. There was considerable doubt as to whether the capitalist class should go over to free trade. This was a very big and long campaign, yet it was very far reaching in its effects on the economic basis.

The same doubts can exist at the present time. For example, Capitalists may some day come to the conclusion that their decision of 30 or 40 years ago, in this and some other countries to resort to a continuing policy of inflation, was an error on their part. Inflation has certainly reacted on the economic basis of Capitalism in this and other countries. 30 years of inflation is bound to react on the actual structure of Capitalism and on companies themselves. One of the things that always happens with inflation, for example, is that companies tend to have a very large additional amount of capital tied up in stocks. If a company is afraid that prices are going on rising, they tend to hold stocks which, if prices were stable, they would not hold. In this way, Capitalism is, as it were, distorted.

Keynes, as Galbraith said, believed in “*the idea*”, as the formative factor in history. In this particular case – of inflation - it would appear that Keynes gave the Capitalists the wrong idea, but they accepted it, and some time or another they will come to see that they have made a mistake. Marx covered this possibility in CAPITAL, saying that sometimes, although the intentions of Governments are clear enough, they make mistakes about financial policy, and then they have to reverse it and put up with the consequences.

End of Class Society

A further question is concerned with what will happen in Socialist society. The question has been asked what place will the MCH have after the abolition of capitalism? That is, in Socialist society. In Marx’s reading of past history, an essential element is the struggle of classes for power, one class with an interest in changing society and another class with an interest in resisting change. The question has been put “*what will happen when there is no class struggle?*” Does this mean that society will stagnate?

Marx’s answer would be of course not. Man is always bound by the terms of his existence to engage in production activity. Man will still have to work to secure his livelihood and to solve the problems that will arise out of this, the problems of production and distribution, the struggle to control natural forces will still be there, and therefore there will still be a need for technical and scientific developments, which will go on.

Marx’s simple answer was this; he pointed out that social evolution will not cease, but it will cease to be political and we quote: “*It is only in an order of things in which there will no longer be classes or class antagonisms that **social evolution** will cease to be **political revolutions***” (our emphasis). This quotation is from the end of Marx’s **Poverty of Philosophy**.

[To be continued in Socialist Studies no. 75]

[Back to top](#)

War, Resources and Trade Routes

According to The INDEPENDENT ON SUNDAY, the US is constructing new military, naval and air bases in Colombia (22 November 2009). In return, Colombia has received military aid worth \$6.4 billion from the US, even though Colombian forces regularly kill the country’s indigenous population and other civilians.

Why is the US in Colombia? The answer is simple; oil. The US gets half its oil from Latin America and was, according to the INDEPENDENT ON SUNDAY “*one of the reasons the US Fourth Fleet was re-established in the region’s waters in 2008*”.

Several Latin American oil-rich countries no longer obey the US line: Venezuela, Bolivia and Honduras to name but three, and also, Brazil with its huge off-shore oil reserves.

That the US government sees Colombia as a strategic sphere of influence was underscored by the US Air Force which stated that one air-base in Colombia was vital because it forms “*a critical sub region of our hemisphere where security and stability is under constant threat from... anti-US governments*” (ibid.).

The US government does not want a political bloc put on their access to oil supplies. It wants to secure oil supplies, and ensure stable governments that are willing to accept US policy in the region.

The Socialist Party of Great Britain has always maintained that capitalism and war are inseparable. Wars are fought in capitalism over trade routes, spheres of political influence, strategic points and raw resources.

“*There can be no capitalism without conflicts of economic interest*” we wrote in our pamphlet WAR AND THE WORKING CLASS (SPGB, August 1936). We stated that the working class have two options: either to support the capitalist class in its interests which will only lead to “*blood and tears*”, or to establish Socialism. And, since the publication of that pamphlet in 1936, blood and tears have stained the six continents of the world.

WHY COMMON OWNERSHIP DOES WORK

Scientists studying how natural resources are managed have found that their results contradict the ‘tragedy of the commons’ idea. It is a mistake to rely on governments to manage natural resources, e.g. forests and fisheries. Governments either license logging in forests or else abandon these to a ruthless, competitive, free-for-all. But local communities “*protect forests best if they own them, because they have a long-term interest in ensuring the forests’ survival*” (NEW SCIENTIST, 10 October 2009). Yet another argument for common ownership – i.e. Socialism!

[Back to top](#)

From Capitalism to Socialism - *part 2*

Class Struggle

This brings us on to the class struggle and class consciousness, and the part these play in the attainment of Socialism.

Capitalism emerged from feudalism as a class society. As Marx explained in THE COMMUNIST MANIFESTO:

The modern bourgeois society that has sprouted from the ruins of feudal society, has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones. Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature; it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other: Bourgeoisie and Proletariat.

Many changes have taken place within capitalism since Marx and Engels wrote THE COMMUNIST MANIFESTO; however the class struggle has been a constant feature as a result of the diametrically opposed class interests of the capitalist and worker. The class struggle exists whether workers are conscious of it or not. The class struggle is thrust upon them as they struggle for higher wages and better working conditions, either individually or in trade unions. Large numbers of workers are brought together in factories and offices, and form trade unions which form part of the economic aspect of the class struggle.

Yet, despite how well or otherwise the working class improve their conditions and wages, they remain an exploited class. The Socialist Party of Great Britain is the expression of the class struggle on the political field, and its sole object is the establishment of Socialism by a majority of the working class through conscious political action.

Capitalism produces within itself two classes with antagonistic interests; the capitalist owning the means of production and thereby preserving his privileged position; and the worker whose interest lies in abolishing capitalism in order to gain freedom from exploitation. The class struggle is a political struggle, and in the working class capitalism has produced its own grave-diggers.

Before the workers can free themselves from exploitation, they must become class conscious; that is, aware of their historic role to abolish class society. They must understand and accept the Socialist case that to solve their social problems they must consciously and politically abolish capitalism and establish Socialism, a world-wide social system, so that society would be in harmony with the development of the productive forces.

This requires the vast majority of the working class to take the necessary political action for the sole purpose of establishing Socialism. To become Socialists, workers must reject the political idea that capitalism can be reformed in their interests. It cannot. Socialism can only be established through revolution.

And by revolution, Socialists do not mean direct action. The idea of taking direct action must be rejected because, even if they were successful in gaining control of political power, the majority of workers would still not be Socialists. Socialism cannot be imposed on workers from above by professional revolutionaries. And there is nothing to stop one insurrectionist minority being overthrown by another insurrectionary group. Equally, a general strike would leave the powers of the state in the hands of the capitalist class and their political agents who would be able to crush the insurrectionists. Socialism cannot be established by violence or in a state of social chaos.

The fact remains that it will not be possible to establish Socialism until a Socialist working-class majority vote for it. A Socialist majority must capture the powers of government, including the armed forces, in order to abolish private ownership of the means of production and establish Socialism. At the moment, the capitalist class can exploit, and have their wealth and privilege protected, because the capitalist state protects their class interests.

For Socialists the task is to persuade other workers to join us. Engels pointed out towards the end of his life that this would require “long and persistent work”. This is because workers are constantly confronted with ruling-class ideas. The media, school, family and friends carry ideas which favour the capitalist class. These ideas act as barriers to the spread of Socialist ideas. They slow down the development of class consciousness and the understanding of capitalism.

Since the formation of class societies, the class struggle has been the active force which has led the change from one social system to another. As Marx said in THE COMMUNIST MANIFESTO: “*The history of all hitherto existing society is the history of class struggles*”. The class struggle for Socialism will mean that the immense majority of workers must agree and vote for it by the revolutionary use of Parliament. Here is a remark by Marx which Socialists agree with:

All previous historical movements were movements of minorities, the proletarian movement is the self-conscious, independent movement of the immense majority.

Although, in their early years, Marx and Engels looked at armed revolt as the means for the working class to gain control of the government, they later changed their minds. In 1895 Engels said in the introduction to THE CLASS STRUGGLES IN FRANCE, “*The rebellion of the old style, the street fight behind barricades, which in 1848 gave the final decision, has become antiquated*”.

The class struggle between capitalists and workers arises from the fact that workers produce all the goods, and they run capitalism from top to bottom for the benefit of the owners of the means to life - the capitalist class. The struggle is not just over wages and conditions but a political struggle for the establishment of Socialism.

The process of establishing Socialism is clear: a majority of workers take the necessary conscious and political action as Socialists to gain control of the machinery of government, dispossess the capitalist class, and establish common ownership and democratic control of the means of production by all of society. Once the Socialist framework is established, then production solely for use will take place.

Establishing Socialism

Although we are greatly indebted to Marx for placing Socialism on a scientific basis, by his materialist conception of history, by his labour theory of value and by his political theory of class struggle, we do not automatically agree with everything that Marx said. For example, in THE COMMUNIST MANIFESTO, Marx and Engels said:

The proletariat will use its political supremacy to wrest by degrees all capital from the bourgeoisie, to centralise all instruments of production in the hands of the State, i.e. of the proletariat organised as a ruling class, and to increase the total productive forces as rapidly as possible. Of course in the beginning this cannot be affected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production.

Socialists say that the conversion of the means of production to common ownership must be immediate and complete. It would not be possible to have Socialism at the same time as “*wresting by degrees*” all the means of production from the capitalist class. However, the political and economic changes that have taken place since the publication of THE COMMUNIST MANIFESTO allow us to have this understanding denied to Marx and Engels at the time.

In THE CRITIQUE OF THE GOTHA PROGRAMME, Marx also referred to the “*lower and higher*” phases of Communism. He said:

What we have to deal with here is a communist society, not as it has developed on its own foundations, but, on the contrary, just as it emerges from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges.

And in the same context of a higher and lower phase of communism he wrote:

[In a higher phase of communist society after]... the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want...

Socialists now say that, with the development of the productive forces since Marx's day, a “*lower stage*” of Communism is unnecessary. This raises the question of the ‘transition period’. Is it necessary? It is quite true of course that Socialism would proceed, not in its developed form, but directly from the conditions left by capitalism. Does this mean that there would have to be a transitional period?

Socialism will inherit productive forces, skills and knowledge from capitalism, which will provide the potential to produce an abundance of goods and services. Capitalism has always restricted production to profitability, not to meet human need. As a result Socialism will need to increase production as quickly as possible on a world-wide scale, in order to meet every individual's need of food, clothing, shelter and so on. This would be the first practical task of Socialism. Only in this sense could it be described as a “*lower stage of Socialism*” but it will be Socialism - not a transitional period between capitalism and Socialism. The time required to increase production will not be a problem. There would be the change of production away from its anti-social use under capitalism: there would be more social labour to produce useful things as workers switch from the work they used to do under capitalism in banking, insurance, armed conflict and state bureaucracies.

There will also be the urgent task of clearing up the mess left by capitalism. There would be the problems associated with capitalism's wars: the safe dismantling of weapons, unexploded bombs, mines and so on. There is the question of pollution, and of course accelerating production so that people have access to the necessities of life. There is no doubt that there will be a lot to do in the early stages of Socialism but only Socialism can provide the conditions in which these problems can be solved.

Only Socialism can make full use of the available natural and human resources. The fact is that Socialism is possible now. The material conditions exist: the techniques of production and social co-operative labour. All that is missing is the lack of understanding of capitalism by the majority of workers, and the subsequent conscious and political action

necessary to establish Socialism.

What would Socialism be like? It is a question that we are often asked, though it has to be understood that it is impossible to give a detailed specification of what Socialism will be like. The reason is simple. We do not know what the forces of production will be like when Socialism is established. It would be futile to produce a detailed plan for Socialist production and distribution, based upon today's conditions and present methods of production. As new methods of production and technology advance, such plans would become obsolete. By the time Socialism is established, it is quite possible that many products will require much less expenditure of labour - therefore making the working-day shorter. This would affect people's lives and allow them to pursue other activities.

However, although Socialists cannot provide a detailed picture of Socialism, there are certain things which will follow from a society based upon common ownership and democratic control of the means of production. First; the social wealth of society will not take the form of commodities, there will be no buying and selling, no money, no creditors and debtors, no capitalists and working class. Consequently there will be no employment, no labour market, no buying and selling of labour power, no wages, and no profits. There will be no competition for resources, markets and trade routes, and no wars between competing nation- states., in fact no nation states Production will be for use, not profit. The whole nature of work will change. Work would be freely entered into, creative and enjoyable. Socialism would also provide co-operative conditions for dealing with the environmental problems which capitalist production causes and which competing capitalist countries cannot deal with.

Socialism is a Practical Alternative to Capitalism

Although the social means of production already exist for the establishment of Socialism, the whole idea of common ownership and democratic control of the means of production and distribution by all of society appears to some to be quite unrealistic. Of course, those coming across Socialist ideas for the first time are in a majority and most workers have not yet heard the case for Socialism. And workers who do come across Socialist ideas dismiss them because their thinking is so drenched with capitalist ideas.

When Socialists speak of a moneyless society where people will co-operate in producing useful things directly to meet human need, this goes against the experience of workers under capitalism and what they think about production and distribution. It is difficult for workers to understand how they could contribute according to their ability and take according to their need, without employment, wages and employers. They believe a society of equals without leaders and the led, just producing to meet human need, appears unrealistic.

One reason against Socialism put forward by our critics concerns planning. How could a moneyless world with production for use organise and plan production and distribution, without money, prices and markets? They believe commodity production and exchange for profit is the most efficient way of producing and distributing products, enabling them to reach people who need them. However, it will be Socialism which will enable the rational planning of production and distribution. Under capitalism the anarchy of production rules, because commodity production is unplanned and unpredictable. Workers also lose control over what they produce, and instead the products control the producers.

As Engels explained in SOCIALISM: UTOPIAN AND SCIENTIFIC: *“Every society based upon the production of commodities has this peculiarity: that the producers have lost control over their social inter-relations”*.

The fact is that under capitalism no company knows how much of a particular commodity will come onto the market. It is a mistake to believe that society could not function without money and that without money we would be reduced to an inefficient barter system. In fact, money is unnecessary for the practical production and distribution of goods and services. Money arose with the exchange of the products of labour. Marx in his analysis of commodity production showed that one commodity always arises in which all other commodities measure their value. This special commodity became the money commodity. The point is that there will be no exchange of products under Socialism; production will be for direct consumption. Money is simply part and parcel of commodity production for profit.

Profit is the motive for production under capitalism. Without profit there is no production. Competition forces the capitalists to produce to meet market demand, not human need. To plan and produce for human need is not compatible with commodity production and exchange for profit. Capitalism does not produce sufficient products to meet the needs of all society. In CAPITAL VOLUME III, Marx wrote:

It is not a fact that too many necessities of life are produced... the reverse is true. Not enough is produced to satisfy the wants of the great mass decently and humanely (Chap. XV Internal Contradiction of the Law, Kerr ed.).

Only Socialism will provide the material basis for the rational planning of production to satisfy human needs. The social means of production would be owned by society as a whole to be used for the production of useful things. There will be no markets where producers compete to sell their products.

The practical task for Socialism will be to produce sufficient goods and services to meet the needs of everyone. If we consider the types of goods and services required by society, they are produced on a regular basis - like food, heat, water and so on; their quantities and supply are known, and can be planned for. The knowledge and skills exist to maintain the supply of goods and services against the need for them; and what surpluses occur would be stored and used in the future.

Also production would only take place to produce useful things. There would be no requirement for armed forces and their weapons, banks, advertising, police and so on. And production in Socialism would not produce inferior quality goods with built-in obsolescence.

Work will be carried on by freely associated individuals, not by workers employed by capitalists. Most work would be creative and satisfying, as well as making a useful contribution to society. There is no reason why people could not become accomplished in many different skills, with education and training available throughout a working life.

With all the different abilities which would be available to production, democratic planning would be a natural outcome of Marx's maxim: *"from each according to ability, to each according to need"*.

Human Nature is not a Barrier to Socialism

Something else which is always mentioned as a barrier to Socialism is 'human nature'. Once Socialism is established, would human nature stop it functioning? However, as we have seen, Marx explained how societies evolved. He showed that one system gave way to another; that class struggle is the "motor force" of history; and that nothing is permanent, which includes human behaviour. Forms of human behaviour found in chattel and feudal societies just do not exist today.

The mistake made by those who believe '*human nature*' would be a barrier to Socialism is that they equate various forms of behaviour caused by capitalism with what they believe to be human nature, regardless of the social system in which these acts take place. This leads them to the erroneous conclusion that competition, violence, trade, wars and so on are innate - that people would be unable to co-operate in Socialism. Of course, they forget that the human race would not have survived without a great degree of co-operation.

Laziness, selfishness, greed and so on are all blamed on 'human nature' but, in a dog-eat-dog society such as capitalism, it would be a miracle if people did not behave in anti-social ways. However, even under capitalism, people also show kindness and generosity, give time for voluntary work, and so on. One could just as easily conclude that it is these social qualities which constitute human nature.

Those who see human nature as a barrier to Socialism fail to see a connection between human behaviour and society. It is a mistake to graft onto Socialism ideas and forms of behaviour which capitalism has given rise to. Ideas and behaviour change with changes in the material conditions of existence. It will be workers who will consciously bring these changes into existence.

It is not human nature which stands in the way of Socialism. It is not that Socialism is impractical or utopian. Nor is

it because the material conditions are not present. It is because most workers are unaware of Socialist ideas, and are therefore unaware that capitalism is the source of their problems and Socialism the solution.

The mass understanding necessary to politically move from capitalism to Socialism recalls Engels's remark that "*it will require long and persistent work*". Perhaps a longer period of time than Marx and Engels initially thought. Yet the process from capitalism to Socialism has begun. As Socialists we strive to shorten the journey.

[Back to top](#)

Race To The Moon

The news that "*NASA bombed the moon, in order to discover reserves of water and other resources*" was reported in NEW SCIENTIST (17 October 2009) under the headline: "**The moon is mine**".

The writer, William Cullerne Brown, saw a disturbing parallel. He counted 8 missions to the moon between 2007 and 2011: three from NASA, two from China, and one each from Japan, India, and Russia. The moon is at present still "*unprotected by law*", since the Lunar Treaty – drafted in the 1990s by the United Nations – has still not been signed by the space powers. Question: if it is now thought possible to exploit the Moon's resources, which state will get to use and profit from these resources? Hence the funding for spacecraft and "*a scramble for territory*", similar to the race to the South Pole so as to stake claims in Antarctica, a century ago.

As then, the race is driven by less than noble and heroic motives – dreams of empire and wealth, combined with a fear of being left behind: The first step to colonisation is to stake a national claim. As Ouyang Ziyuan, chief scientist of China's moon exploration programme had told the BBC, "*whoever first conquers the moon will benefit first*".

Clearly capitalist states are now setting out on a new phase of empire-building. Capitalism is going beyond being merely global. It is now on the brink of 'Star Wars' – wars in outer space. This is no longer a matter of science fiction, as when Isaac Asimov wrote his novels.

We, the working class of Planet Earth, have no interest in colonising space – any more than our ancestors had an interest in colonising Africa, Asia, Australia and the Americas. We stand to get no benefit from capitalism's control of other planets, any more than we benefit from the capitalist class's exploitation of this planet's flora and fauna, including ourselves, for profit.

Though capitalism has been around only a few centuries, it has been immensely destructive. Having trashed the resources of Planet Earth, its remorseless, competitive greed is reaching out to plunder the resources of other planets. Driven as ever by the usual lust for filthy lucre, by the most sordid motives, Capitalist Man is now reaching for the stars. What chance is there that any other planets that capitalism gets to control will remain clean and unpolluted? That they will not be despoiled?

So long as capitalism is allowed to continue, it is a clear and present danger to our world, to other nearby planets, and to future generations of humankind. Workers of the world, wake up!

[Back to top](#)

Poverty, War and Unemployment

The Socialist Party of Great Britain is frequently accused by our opponents of not having made much progress towards Socialism since our formation in 1904. To see this charge in its proper perspective, it must be understood that the task of establishing Socialism is one for a democratic majority of the working class. While we remain a minority we can only advocate the case for changing society.

The fundamental distinction between the reformist and the revolutionary lies in the fact that the reformists see the problems engendered by capitalism as independent, separate issues, and they seek “*solutions*” on a piecemeal basis within capitalism. Revolutionaries – revolutionary Socialists – on the contrary see the problems as all having a common origin in the way society operates - in terms of private property relations in the means of production. It is utterly absurd to treat the effects and ignore the cause, yet this is exactly what generations of reformist parties and governments have been doing. The reason for this folly is that these depend upon working-class political ignorance to keep capitalism in being. The workers must be deluded, and believe that something can be done to relieve the worst effects of the system.

We in the SPGB do not see the society of poverty, war and unemployment in terms of “*good*” and “*bad*” governments, or the failure to promote the “*right*” reform policies. Politicians and governments can - and do – lie, and be incompetent. They lie about wars and are powerless against poverty. But it is the system that produces these conditions.

As Socialists, we argue that capitalism generates militarism and conflict in its rivalries for markets, resources and profits. The class-property relationships in the means of production create poverty, homelessness, and the misery of insecurity in old age. Throwing money at these conditions, inherent as they are in the system of capitalism, is futile. It has always failed and will continue to fail. It is the system of capitalism itself that must go, and be replaced worldwide with the classless society of Socialism.

With an election coming up, there is no better time to take stock. It is well worth looking back just a few months to the 2009 party conference season. Both Brown and Cameron were full of promises and optimism. Neither of them mentioned capitalism which has made light-work of their parties’ promises many times before, and will do so again. Unemployment and poverty reflect the conditions of the labour-market, where workers are employed as a means to profit for a minority class who own the means of production. Workers’ lives are subject to glutted commodity markets, to improved technology producing more goods with fewer people, and on top of these facts the competition among workers for existing jobs. The steel industry is one recent example. Brown and Cameron are committed to running capitalism - not ending it.

Cameron’s optimism at conference can be seen reflected in Barack Obama’s own optimism, just a year earlier – look at him now! While dithering on the “*more troops*” issue for Afghanistan, he got conflicting advice from leading generals and has divided his own party. At a conference in Moscow, on 4th July, he made a deal with Russia’s Mr Medvedev to reduce their respective nuclear warheads to 1500 each, more than enough to wipe out life on Earth. Before a single nuclear weapon had been decommissioned, he got a Nobel Peace Prize. With his economy in \$1 trillion in debt, no doubt he and the Nobel Peace outfit must feel they have something to crow about. If Cameron gains power, a year from now, he will see his limitations determined by capitalism just as Obama already has. As an example of the way capitalism does “*business*”, there is a quotation in SOCIALIST STUDIES NO. 73 from BIN LADEN: THE FORBIDDEN TRUTH., a book by Jean-Charles Brisard and Guillaume Dasquié

The Bush administration, in talks with the Taliban during 2001, were keen to gain oil and gas pipelines, and at one stage in the negotiations told the Taliban: “*either you accept our offer of a carpet of gold or we will bury you under a carpet of bombs*”. This was before the attack on the Twin Towers (more information given in SOCIALIST STUDIES NO. 73).

Under capitalism with its competitive struggles for trade and resources, the military option is always there.

Poverty Will Continue

Poverty is a condition that does not relate to the ability of society to produce. Poverty exists because of the way society is organised into property relationships, i.e. owners and non-owners; employers and employees. In early September 2009, BBC 2 NEWSNIGHT stated the fact that: “*One billion people go to bed hungry every night while we have the greatest potential to feed everyone there has ever been*”. This is a damning indictment of capitalism!

NEWSNIGHT (18 August 2009) reported that there were 250 applicants for a single job. Also in August,

TELETEXT reported that around 11,400 people had their homes repossessed in the three months to the end of June, and the Council of Mortgage Lenders warned that “*a fresh wave of repossessions is coming*”.

Unemployment is not the cause of poverty, but it can be and does intensify it. Poverty means deprivation, being unable to afford goods and/or services which society is perfectly able to produce abundantly.

In his masterly book *ANCIENT SOCIETY*, Lewis Henry Morgan showed that in primitive, tribal-savage systems where humanity began, there were no classes of rulers and ruled, and people ate or starved in common, according to what was available. Morgan spent many years with the American Iroquois tribes.

The *SUNDAY TIMES RICH LIST* for April 2009 says that the UK’s richest one thousand people own £258 billion between them - that is an average of £258 million each. There were forty-three billionaires. At the bottom end, 40,000 members of the working class had their homes repossessed in the last full year, with unemployment and poverty growing. All this, after twelve years of Labour government.

The minority in the *RICH LIST* and the rest of the capitalist class to which they belong do own the means of production. They are a class that live from the exploitation of wage-labour. The majority of people own no means of production: they are the working class, a class of exploited employees. Unemployment and poverty arise from their non-ownership of the means of production.

Capitalism is the world-dominant society of today and its consequences are the same the world over: poverty, unemployment, and war.

In America, the richest country in the world, which is busily waging war in the poorest country; Afghanistan, 47 million people have no health or welfare insurance. There was vehement opposition to Barak Obama’s proposals for limited health coverage. The American ruling class have yet to learn the advantage of a basically healthy working class - something their British counterparts learned from the rickets and tuberculosis they found when introducing conscription in World War One. Whilst the Labour government has been involved in two major wars since 1997 and finds ample resources for war and Trident and nuclear submarine programmes, the gap between rich and poor in London has been growing. *CEEFAX* (19 May 2009) reported that 20,000 Londoners lost their homes in the last year since they were unable to pay their mortgages, and this while a quarter of them were working.

Political ignorance does not stop with the developed world of capitalism. In tiny Sri Lanka, with a population of just over twenty million, seventy per cent of whom are Buddhist, 85,000 people have been killed in a war lasting 25 years (*BBC NEWS*, 17 May 2009). At the other extreme, India with a population second only to that of China, the BBC did a programme on the Ganges. Millions of ignorant, superstitious people regard the river Ganges as a goddess - many travel hundreds of miles to bathe in the river and sink gifts into the water as tributes to the “*goddess*”. They even cook rice which they sink as food. The world’s second highest mountain is also regarded as a goddess by them.

This stupidity exists in a poverty-stricken country that has an arsenal of nuclear weapons. India’s neighbour, Pakistan, has frequent incidents of car-bombing with rival Muslims killing each other in what are thinly disguised power-struggles. Pakistan is a country with rival religious hatreds, one which also has a nuclear arsenal.

America worries that these might fall into the Taliban’s hands. President Obama tells the world that Iran in testing nuclear capability rockets is breaking international rules. He never condemns Israel for doing the same and possessing nuclear weapons in defiance of UN resolutions. By inference, America’s nuclear weapons are “*just fine*”.

Capitalism has abused science and technology to produce a world armed to the teeth with every conceivable means of killing and destruction.

Learn from the Past

The history of the past century or more of capitalism demonstrates that only a complete change to world Socialism can rid the world of poverty, war and unemployment. Yet what all the major parties propose is more of what we have

got.

In the final analysis, wars are only possible so long as workers are prepared to fight them. The nationalist mentality of waving their masters' flags and being British or German, Japanese or American, French or Chinese etc, and proud of it, makes wars possible. Unemployment, as always, provides the recruits for "*peace-time*" armies. This is supposed to be peace-time yet the UK, under a Labour government, and the United States are sending young men and women to kill and be killed in the eight years long war in Afghanistan. Some nineteen-year-olds who came back dead were unemployed when they joined the army. How many Afghans they bombed and machine-gunned, we are never told. On BBC 1 NEWS (23 September 2009) a young man, about twenty years old, was shown with both his legs blown off; also his left arm, caused by a roadside bomb in Afghanistan. His parents were shown in tears. There must be many hundreds grieving and crying in Afghanistan! This is 21st century capitalism's contribution to civilisation and the "*elevation*" of humanity.

At Labour's 2008 Conference, Gordon Brown avoided mentioning his two wars. He made much of welfare reforms in health, pensions and housing, and promised more if re-elected. But could not deny continuing poverty among both adults and children, despite generations of reforms.

More reforms are obviously not the answer. In September 2009, BBC NEWS reported children in the UK going to school ill-clothed and shod – they are in poverty. Brown, realising his promise to end child poverty is doomed, proposed both parents going to work. Remember the 250 applicants for one job? It took ordinary mothers to point out the harm to the social fabric and the deprivation children would suffer.

with tens of thousands of school-leavers coming onto the labour market yearly and unemployment rising, the idea of raising the retirement age to seventy was also floated. No thought was given to where all the new jobs were to come from.

It is because of capitalism that the UK and the US – two of the world's richest countries - have millions living in poverty. The history of the Labour Party is one of failure. Formed in 1906, by 1914 they were supporting World War One. With the lot of the workers between the wars being poverty, hunger-marches and unemployment, come 1939 they again supported the war. The SPGB, formed in 1904, we repeat, opposed both world wars, and all these others.

World War Two had hardly finished, with German and British cities destroyed, when in 1950 the Labour government was involved in the war in Korea. The same Labour government laid the foundation for British nuclear weapons – a policy which the Tories continued after 1951. Millions of people have been slaughtered in wars since 1945; in Vietnam, Korea, Iraq and Afghanistan to name the most obvious cases.

To cover all this killing in verbiage about freedom and democracy is criminal nonsense.

Workers on all sides have failed to see that their real enemy is at home, that is, the capitalist class which exploits them, not their fellow workers in other countries who are in the same degrading, wage-slave condition as themselves. The SPGB's statements against both world wars, took this internationalist position which is as sound now as it was in 1914. That 1914 statement can be seen in full in our pamphlet CAPITALISM AND WAR.

When a majority of workers worldwide has had enough of capitalism with its poverty, unemployment and wars, we can have a world of commonly owned means of production, a classless society devoted to meeting human needs. As Socialists this is our one objective. We need our fellow workers to join us.

MARX ON "THE INDUSTRIAL RESERVE ARMY"

The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active labour-army; during the periods of over-production and paroxysm, it holds its pretensions in check. Relative surplus-population is therefore the pivot upon which the law of demand and supply of labour works. It confines the field of action of this law within the limits absolutely convenient to the activity of exploitation and to the domination of capital.

CAPITAL VOLUME 1, Lawrence & Wishart, paperback edition, p 639

Marxism and Democracy

It is not possible to explain in an understandable way what the attitude of the Socialist Party of Great Britain is to Marxism and democracy without first dismissing the mass of misrepresentation and half-truths surrounding the term *Marxism* and distinguishing between widely differing concepts of democracy.

For the Socialist Party of Great Britain Marxism means essentially the mature, stated, view of Marx and Engels on the materialist conception of history, the economic analysis of capitalism and the revolutionary way in which the working class must use “*the parliamentary system*” to achieve power as the necessary preliminary to the establishment of Socialism. This is the legitimate way in which the term should be used but it is not the way in which it is commonly used by the media or by numerous organisations all over the world that have chosen to label themselves *Marxist*.

Leading politicians and commentators habitually use it as a term of abuse to blacken the Labour Party; like the description of that Party as “*Marxist*”. Neither in that Party’s aim, nor in its economics (they have been supporters at one time or another of Keynes, monetarism and economic liberalism), nor in its political propaganda can this usage be justified. Tackled about this, well-known columnists have taken refuge in a defence that amounts to no more than “*nowadays everybody does it*”, a complete abdication of providing genuine information to their readers. As regards the organisations that style themselves Marxist, some do this in total ignorance of the writings of Marx and Engels while others make use of statements made before a lifetime of experience had bought maturity in their understanding of history, economics and politics.

There is as much confusion about democracy as about Marxism. Hardly any organisation now admits to being anti-democratic; the British National Party pays lip-service to democracy as does the Chinese dictatorship misleadingly describing themselves as “*Communist*” and their political programme as “*Marxist*”.

Communism and Socialism, both words mean exactly the same thing, does not exist in China. China is a capitalist country and contains a working class who do not own the means of production. The workers in China are exploited and produce what Marx called “*surplus value*” from where the unearned income of rent, interest and profit derives. The Chinese dictatorship does not have a Marxist programme. The Chinese government does not exist to establish the common ownership and democratic control of the means of production and distribution by all of society anymore than they exist to abolish the wages system.

They hold to Lenin’s concept of vanguard leadership which is against everything Marx held about the need for the working class to consciously and politically establish Socialism themselves.

What of democracy in capitalist countries like China? Chinese capitalism’s political structure works as a pyramid with most of the power held in the hands of the Standing Committee of the Political Bureau and the Secretary-General of the Chinese Communist Party. There are supposed to be 60 million members of the Chinese Communist Party but very few even vote for their leaders.

What “*democracy*” exists in China takes place for elections for county-township People’s Congress delegates. More than 900 million people are able to vote for two million delegates. However the Communist Party has tight control over the nomination process. Independent candidates find their path blocked by local Communist Party officials.

In an article, *Basic voting rights still suppressed in China*, the journalist Xu Xing wrote that democracy in China:

... refers to the system in which all candidates are appointed by the Chinese authorities. Even if there are candidates nominated by merely ten people, they are subjected to the local election committee’s review, discussion and consultation in order to become qualified candidates. Given that all members on the committee are themselves officials, how can it be regarded as democracy?

All of this is far removed from the concept of democracy in socialist society. In Socialism, objective information will be freely and fully available—there will be no vested interests to give slanted versions of the facts. All will be able to hear and discuss different policy proposals. Decisions will be by majority vote; and will be accepted and operated by the minority, unless and until they can persuade the majority to change its views. Above all, because there will be no coercive state and all members of society will have free access to the means of life there can be no question of the minority being penalised in any way.

What about democracy in “*parliamentary*” countries like Great Britain? Objective information is not fully and freely available here but under normal conditions a socialist political party can operate legally and can answer capitalist propaganda albeit through limited channels of communication. It can state the Socialist case in indoor and outdoor meetings, produce and distribute a socialist journal and pamphlets, set up a web site, and contest elections, and as the overwhelming majority of electors are members of the working class it is open to the workers, though Parliament, to gain control of the machinery of government, including the armed forces, for the purpose of establishing Socialism when they so decide.

Marx and Engels always appreciated the value of the vote. In 1848, they wrote in THE COMMUNIST MANIFESTO: “*We have seen above that the first step in the revolution by the working class is to raise the proletariat to the position of the ruling class, to win the battle of democracy*” (THE COMMUNIST MANIFESTO AND THE LAST HUNDRED YEARS; The Socialist Party of Great Britain, 1948, p 70).

Looking back, half a century later, Frederick Engels said: “*THE COMMUNIST MANIFESTO had already proclaimed the winning of universal suffrage, of democracy, as one of the first and most important tasks of the militant proletariat...*” (INTRODUCTION TO THE CLASS STRUGGLES IN FRANCE 1848 to 1850, Moscow 1979, p 19).

Only four years after the publication of the COMMUNIST MANIFESTO, Marx emphasised the point in an article in the NEW YORK TRIBUNE (25 August 1852):

The carrying of universal suffrage in England would... be a far more socialistic measure than anything that had been honoured with the name on the Continent... Its inevitable result, here, is the political supremacy of the working class.

In their early years of political activity Marx and Engels had been optimistic about the speed with which developments would take place. With greater experience they had to recognise that the obstacles—the resourcefulness of the ruling class, the adaptability of capitalism, and the slowness with which socialist ideas were accepted by the workers—were much greater than they supposed. Engels, in his INTRODUCTION to THE CLASS STRUGGLE IN FRANCE, summarised this:

The time of surprise attacks, of revolutions, carried through by small conscious minorities at the head of unconscious masses, is past. Where it is a question of a complete transformation of the social organisation, the masses themselves must also be in it, must themselves already have grasped what is at stake, what they are going in for body and soul. The history of the last fifty years has taught us that. But in order that the masses may understand what is to be done, long, persistent work is required, and it is just this work that we are now pursuing, and with a success which drives the enemy to despair... (loc cit p. 25)

Engels, however, still underestimated the difficulties of the situation, this time through his misjudgement of the quality of membership of the social democratic parties.

They were more and more being recruited not for the socialist objective, but by the attraction of the “*immediate demand*” attached to the social democratic programmes. They were still dependent on “*leadership*” and it remained for the Socialist Party of Great Britain to show that the whole idea of leadership is alien to democracy and the socialist movement as workers struggle politically towards the establishment of Socialism.

The Queen and the Economists: Eating Humble Pie

In November 2008, the Queen visited the London School of Economics to open a new building for the teaching of economics. All the top economists were there for the opening ceremony. And they thought they would all be praised for being very clever men and women. But no. Instead the Queen asked them a question: *if you economists are oh-so-clever, why did you not know the credit crunch was going to happen?* There was silence as tumble weed blew across the windy Houghton Street campus.

The economists were worried. They could not be seen to be stupid by providing no answer to the Queen's question. So they decided to write a letter to the Queen, explaining why the credit crunch had not been anticipated. They said that economists were taught more mathematics than economics. The problem was the mathematics. We are not told what the Queen thought of their excuse – maybe she was too busy eating bread and jam. The economists though had to eat humble pie.

Of course, modern economics is very mathematical. Economic models are constructed using mathematics which only someone with a degree in university mathematics can understand.

But there is a simple reason why these mathematical models fail. They are based on the assumption that commodity production and exchange for profit is a rational, stable and harmonious system. It isn't. It is unstable, anarchic and prone to periodic crises, depressions and high levels of unemployment.

The Queen could have asked her husband about economic crises. In the 1980s, he had written a dire study on Marx – one which you cannot even find in on-line second hand bookshops. If he ever read Marx, he would have known why capitalism is in crisis. Here is Marx:

... capitalist production moves through certain periodical cycles. It moves through a state of quiescence, growing animation prosperity, overtrade, crisis and stagnation.

WAGES, PRICE AND PROFIT in Selected Works Vol. 1, p 440

But Prince Philip was most probably too busy at Coutts Bank counting out his money. At Coutts, one would need at least £500,000 in cash or £5m in assets in order merely to open an account. That is why Coutts is a bank not seen on the High Street near you. It is not a bank for the majority, those whose homes are rented or mortgaged, who buy their furniture on credit, and who do not know what it is to live a trouble-free existence. In short, Coutts and various other clubs and institutions exist for the benefit of an exclusive and select minority - the filthy rich.

[Back to top](#)

Work In Socialism

[William Morris usefully but not exhaustively elaborated on the conception of work in Socialism. See SOCIALISM FROM THE ROOT UP, Commonweal, 5 May 1888, in Nick Salmon, THE POLITICAL WRITINGS OF WILLIAM MORRIS, 1994, pp.614-615]

To make the matter of production under Communism clearer let us consider the various kinds of work which the welfare of Communal Society would demand.

First, there would be a certain amount of necessary work to be done which would be usually repellent to ordinary persons; some of this, probably the greater part of it, would be performed by machinery; and it must be remembered that machinery would be improved and perfected without hesitation when the restrictions laid on production by the exigencies of profit-making were removed. But probably a portion of this work at once necessary and repellent could

not be done by machinery. For this portion volunteers would have to be relied upon;... As examples of this necessary and usually repellent work, we may give scavengering, sewer-cleaning, coal-hewing, midwifery, and mechanical clerk's work... Disagreeable work which a Communal Society found itself saddled with as a survival of past times, and which it found out not to be necessary, it would get rid of altogether.

Secondly, work in itself more or less disagreeable, and not absolutely necessary, but desirable if the sacrifice to be paid for it were not too great... rough occupations... such as sea-fishing, exploration of new countries, etc...

Thirdly, we come to a kind of work which we may well hope will take a much higher position in communal life than it does at present; we mean work that has in it more or less of art; and we should here say that the very foundation of everything that can be called art is the pleasure of creation, which is, or should be felt in every handicraft..

NOTE TO READERS

We are making progress with placing the majority of our pamphlets and back numbers of SOCIALIST STUDIES on-line. Our website is receiving regular and frequent visits, and an increase in this activity has been especially noticeable during the last year. The subjects of most interest on our website have been the economic crisis and in what we say about war.

Please check our website for updated information about our meetings and other activity through the year.

[Back to top](#)

Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.

6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

[Back to top](#)

email: enquiries@socialiststudies.org.uk | www.socialiststudies.org.uk